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16 February 1977

MEMORANDUM FOR:

[REDACTED]

Executive Assistant to the DCI-Designate,
ADM Stansfield Turner

25X1

SUBJECT : Briefing Materials for Admiral Turner

The following items, responsive either directly or indirectly to requests from Admiral Turner, are forwarded herewith:

1. Message from AMEMBASSY NEW DELHI to CIA for TURNER dated 15 February 1977; Subject: Conversations of Senator Charles H. Percy with Foreign Ministers of Iran and Afghanistan and GOI Foreign Secretary. [REDACTED]

25X1

2. Message from AMEMBASSY NEW DELHI to CIA for TURNER dated 15 February 1977; Subject: Senator Percy's conversations with Prime Minister Gandhi. [REDACTED]

25X1

3. Sealed envelope from CIA Operations Center to Admiral Turner.

4. General daily news clippings. [REDACTED]

25X1

5. Memorandum from Special Assistant to the DCI dated 16 February 1977; Subject: Admiral Turner's Question re the Chapter of the Church Committee's Report which concerns the "Organization of the Intelligence Community as a Whole!" [REDACTED]

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Classified by Signer
Exempt from General Declassification
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Director of Central Intelligence

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6. Memorandum for SA/DDCI from Director of Security and the Chief, Counterintelligence Staff dated 16 February 1977.

Subject: Information for Admiral Turner. [REDACTED]

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Note: This answers, in part, the question raised by Admiral Turner regarding the difference between the Internal Security and Counterintelligence functions of the Agency. A more detailed explanation of counterintelligence was included in the briefing book on the Operations Directorate (DDO) forwarded to you on 10 February under a tab entitled "Counterintelligence Role of CIA." Also included are responses to other questions on guidelines and criteria for operations involving or directed against American citizens.

7. Sealed envelope from [REDACTED] to Admiral Turner.

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[REDACTED]
Special Assistant
to DDCI

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Attachments

ES/[REDACTED] sfk

Distribution:

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TRANSMITTAL		
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DATE 16 February 1977		
TO: A. m. Turner		
ROOM NO.	BUILDING	
REMARKS:		
Office of the Assistant to the Director		
[Redacted Box]		
[Signature]		
FROM:		
ROOM NO.	BUILDING	EXTENSION

London, Conn., Friday, February 11, 1977

of The Day

pect for the CIA

reac- sional. The Senate will have ample op-
 odore portunity to discern his attitudes
 Intel- about the gathering of intelligence
 now and the uses to which it can and should
 who be put.
 Mr. President Ford's man for the job
 field was George Bush. He left office with a
 forces clean record but he was and is essen-
 tially a politician, having served as
 Republican national chairman. This
 left an aura of partisanship where no
 political ties belong.

Admiral Turner seems to have the
 qualifications. An apt student during
 his Amherst and Naval Academy
 days, he has had a naval career en-
 compassing a variety of assignments.
 His non-professional background is
 wide-ranging and is based on an in-
 nate curiosity and never-ending activ-
 ity. He loves opera and sports and his
 academic interests have included stu-
 dies in philosophy, politics and eco-
 nomics as a Rhodes Scholar. He also
 has a reputation as a manager.

What Congress and most thoughtful
 taxpayers are, or should be, con-
 cerned about is the admiral's sensitiv-
 ity for the rights of people and their
 civil government at home and abroad.
 The country has been burned by ex-
 cesses and callousness of previous
 CIA directors, notably during the
 Nixon years.

What is clear at present is that the
 admiral is not wedded to any partisan
 doctrine. He is a professional's profes-
 sional. The directorship of the CIA is not an
 easy slot to fill. The person who holds
 it cannot be in a position where he is
 likely to be compromised. At the same
 time, he is in a job which must direct
 operations in a world and at a time in
 which the United States is subject to
 all manner of highly sophisticated
 spying attempts.
 Admiral Turner seems ideally suit-
 ed for the job. A hard worker, non-
 politician devoted to the service of his
 country, he could rank among the best
 of the men, nine of them since the
 agency was first established in 1947, to
 have held this vital office.

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16 February 1977

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MEMORANDUM FOR:

[REDACTED]
Executive Assistant to
DCI-Designate

25X1

FROM:

[REDACTED]
Special Assistant to the DCI

SUBJECT:

Admiral Turner's Question re the Chapter of the
Church Committee's Report Which Concerns the
"Organization of the Intelligence Community
as a Whole"

1. Attached are excerpts from the Church Committee Report which discuss the organization of the Intelligence Community: Chapter "E: The Director of Central Intelligence" and Chapter "G: Reorganization of the Intelligence Community." What follows is a brief summary of these two chapters and their recommendations, as well as some comments on what we understand to be the current views of the SSCI (Inouye Committee) on the same subjects.

2. Chapter E considers the DCI in his three roles as coordinator of the Intelligence Community, producer of National Intelligence, and head of the CIA.

a. DCI as coordinator: the Committee comments that the DCI is not in a position to command the different departments and agencies concerned with intelligence to respond to the needs of policymakers because he lacks authority to allocate intelligence resources. The Committee supports the CFI concept but wonders if the CFI can be effective--for example, in enabling the DCI to review tactical military intelligence operations--without modification of the peacetime authority of the Secretary of Defense.

b. DCI as producer of National Intelligence: the Committee comments that the DCI faces obstacles in ensuring objectivity in his national intelligence judgments because of "pressures

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from the White House and the Defense Department," and that the DCI's ability to resist such pressures was reduced with the dissolution of the Board of National Estimates. The Committee also emphasizes the importance of ensuring both the DCI's proximity and access to the President and his responsibility for Intelligence Community activities. The Committee notes that the appropriate Congressional committees should be provided with the full range of intelligence produced by the Community, and that procedures should be developed so that the DCI's role as an adviser to the President is not compromised.

c. DCI as head of CIA: the Committee notes that the DCI might find himself in a "conflict of interest" situation when ruling on the activities of the Community because of his direct management responsibility for CIA and, furthermore, that the DCI's "span of control" may be too great for him to exercise, in addition, detailed supervision of the clandestine activities of the CIA.

3. Chapter E also includes several recommendations: namely, that by statute the DCI be given exclusive responsibility for producing National Intelligence, and that he establish a board including senior outside advisers who would review the intelligence product, thereby helping insulate the DCI from pressures to modify his judgments; that the DCI by statute be authorized to establish national intelligence requirements, prepare the intelligence budget, and provide guidance for all national intelligence program operations, and that to do so, the DCI should have authority to review all intelligence resource allocations, including those for tactical military intelligence; that statutory authority for the DCI's two deputies be established, and that only one of the three be an active or retired career military officer; that the oversight committee consider (1) that funds for the national intelligence budget be appropriated to the DCI rather than the different agencies and departments, and (2) that the DCI be separated from direct responsibility over the CIA.

4. Chapter G--"The Reorganization of the Intelligence Community"--expands on the question of separating the DCI from direct management of CIA. Noting that such a separation would remove the DCI from any conflict of interest in exercising his authority over the entire Intelligence Community, the Committee also suggests that major structural changes in CIA be considered: namely, by separating national intelligence production and analysis from "the clandestine service." The Committee lists the

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advantages and potential disadvantages of this latter proposition, and concludes with a recommendation that the appropriate Congressional oversight committees study both questions.

5. We understand that the SSCI (Inouye Committee) continues the concern of the Church Committee regarding the DCI's roles as coordinator of the Community, producer of National Intelligence, and head of CIA. Some impressions gathered by the Intelligence Community Staff and the Office of Legislative Counsel regarding the thinking in the Inouye Committee include:

a. DCI as coordinator, or Community Resource Manager:

Although the Church Committee strongly endorsed this concept, it noted that shaping a committee process which respected the direct executive powers of both the Secretary of Defense and the DCI presented a problem. The Inouye Committee generally favors the CFI and the consolidated NFIP budget process which resulted from E.O. 11905. While the Church Committee recommended founding this process in legislation, the Inouye Committee wishes further testing of the existing process before taking a position on the question of legislation.

In addition, the Inouye Committee is interested in the DCI's power to establish Community collection requirements--already substantial in the imagery and SIGINT fields. Along with the House Appropriations Committee, the Inouye Committee would like to further investigate the question of DCI oversight of tactical military intelligence operations in order to eliminate wasteful duplication.

The Inouye Committee's Charters and Guidelines Subcommittee (Senator Hathaway) is drafting an "overall charter" for the Community and it is possible that proposed legislation could be ready by late spring. Also, the Carter Administration intends to review Community organization through a Policy Review Memorandum (PRM/NSC #11) which will examine the powers of the DCI to manage Community resources either through committee negotiation (as in the CFI's successor organization, the Policy Review Committee/Intelligence) or through direct executive authority, such as the DCI now has over the CIA.

b. DCI as producer of National Intelligence:

Given the fact that there is general agreement that the DCI should be the principal foreign intelligence adviser to the

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President and the NSC, there continues to be controversy both about the quality and objectivity of national intelligence produced under present arrangements and about various measures that could be taken to improve the situation. As noted above, the Church Committee criticized the dissolution of the Board of National Estimates because it believed the Board helped insulate the DCI from policy pressures. The Inouye Committee has not yet taken a position on this subject. We understand that Senator Stevenson's Subcommittee on Intelligence Collection, Production, and Quality is preparing a study for the Committee's consideration on this issue and that it is to be ready at the end of February. This staff preparing the study is pursuing an in-depth investigation of intelligence production in several areas, including Soviet forces for intercontinental conflict--the NIE 11-3/8 series. In this connection, it should be noted that the Inouye Committee as a whole was briefed fully on the controversy surrounding the recent "B-Team" experiment and the false press charges that outside "hard-liners" had succeeded in forcing changes in the judgments of this particular NIE. Because of their positive reactions to these briefings, we believe the Committee members are not now overly concerned about estimative objectivity, but undoubtedly will develop specific recommendations designed to further reinforce the independence of the estimating process and its end product.

The Inouye Committee also is aware, from meetings with former DCI George Bush, that the DCI was considering the formation of a body of outside consultants to be called the Director's Estimates Advisory Panel. This Panel would be composed of experts in various disciplines from the academic, business, and "think-tank" worlds who would be called upon to provide non-Intelligence Community views of selected Estimates. Whether or not to proceed with the formation of such a Panel remains a decision for the new DCI.

c. DCI as head of CIA:

Concerning the Church Committee's recommendation that serious consideration be given to separating the DCI from direct responsibility for managing CIA, the Inouye Committee's Subcommittee on Charters and Guidelines continues to look into the question. Although we do not know what the general view of the Committee currently is, it is probable Committee members must

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first answer a more basic question: in his role as Community leader, how much of the DCI's authority should be directly executive and how much should be expressed through negotiation with other agencies and departments (primarily Defense) which retain executive control of particular national intelligence elements and programs?



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E. THE DIRECTOR OF CENTRAL INTELLIGENCE

The 1947 National Security Act gave the DCI responsibility for "coordinating the intelligence activities of the several Government departments and agencies in the interest of national security." In addition, the DCI as the President's principal foreign intelligence advisor was given responsibility for coordinating and producing national intelligence for senior policymakers. However, the Committee found that these DCI responsibilities have often conflicted with the particular interests and prerogatives of the other intelligence community departments and agencies. They have not given up control over their own intelligence operations, and in particular the Department of Defense and the military services, which allocate 80 percent of the direct costs for national intelligence, have insisted that they must exercise direct control over peacetime intelligence activities to prepare for war. Thus, while the DCI was given responsibility under the 1947 act for intelligence community activities, he was not authorized to centrally coordinate or manage the overall operations of the community.

1. Coordinator of the Intelligence Community

The Committee has found that the DCI in his coordinator role has been unable to ensure that waste and unnecessary duplication are avoided. Because the DCI only provides guidance for intelligence collection and production, and does not establish requirements, he is not in a position to command the intelligence community to respond to the intelligence needs of national policymakers. Where the DCI has been able to define priorities, he has lacked authority to allocate intelligence resources—either among different systems of intelligence collection or among intelligence collection, analysis and finished intelligence production.

The Committee supports President Ford's objectives of enhancing the stature of the DCI and establishing a mechanism such as the Committee on Foreign Intelligence (CFI) with the DCI as chairman to control the allocation of national intelligence programs resources. The Committee questions, however, whether the CFI can be effective without some appropriate modification of the peacetime authority of the Secretary of Defense. In order to strike an appropriate balance between the requirements of national and tactical intelligence, the intelligence collected by national means should be readily available to the military commanders and vice versa, and the Secretary of Defense and the military services should retain direct control over the operations of tactical military intelligence. Nonetheless, the DCI needs the right to review tactical military intelligence operations in order to make budget choices between tactical and national intelligence activities. Moreover, to carry out his coordinating role, the DCI needs to retain control over major technical intelligence collection systems which service both tactical and national intelligence requirements.

2. Producer of National Intelligence

In the area of providing finished intelligence, the Committee discovered that the DCI, in his role as intelligence adviser, has faced obstacles in ensuring that his national intelligence judgments are objective and independent of department and agency pressures.

has been particularly concerned with pressures from both the White House and the Defense Department on the DCI to alter his intelligence judgments. One example of such pressure investigated by the Committee occurred in the fall of 1969 when the DCI modified his judgment on the capability of the Soviet SS-9 system when it conflicted with the public position of Secretary of Defense Laird. After a meeting with staff of the Office of the Secretary of Defense, Director Helms deleted a paragraph from the draft of the National Intelligence Estimate on Soviet strategic forces which stated that within the next five years it was "highly unlikely" that the Soviets would attempt to achieve "a first strike capability, i.e., a capability to launch a surprise attack against the United States with assurance that the U.S.S.R. would not itself receive damage it would regard as unacceptable."

The Committee believes that over the past five years the DCI's ability to produce objective national intelligence and resist outside pressure has been reduced with the dissolution of the independent Board of National Estimates and the subsequent delegation of its staff to the departments with responsibility for drafting the DCI's national intelligence judgments.

In the end, the DCI must depend on his position as the President's principal intelligence adviser or on his personal relationship with the President to carry out his various responsibilities and to withstand pressures to compromise his intelligence judgments. Consequently, the Committee has been concerned that the DCI's proximity and access to the President has diminished over the years. Since 1969, at least until the confirmation of Mr. Bush, the DCI has rarely seen the President except at NSC meetings. The influence a DCI could have from a close relationship with the President has generally been lacking.

While President Ford's Executive Order is a step in the right direction, the Committee believes that the DCI's responsibility over intelligence community activities should be enhanced and spelled out clearly and in detail in statute. The Executive should not continue defining these responsibilities alone as it has done since 1947 through Executive Orders and National Security Council Intelligence Directives (NSCIDs).

The Committee believes that the Congress, in carrying out its responsibilities in the area of national security policy, should have access to the full range of intelligence produced by the United States intelligence community. The Committee further believes that it should be possible to work out a means of ensuring that the DCI's national intelligence judgments are available to the appropriate Congressional committees on a regular basis without compromising the DCI's role as personal adviser to the President.

Finally, the Committee has found concern that the function of the DCI in his roles as intelligence community leader and principal intelligence adviser to the President is inconsistent with his responsibility to manage one of the intelligence community agencies—the CIA. Potential problems exist in a number of areas. Because the DCI as head of the CIA is responsible for human clandestine collection overseas, the development

and interception of technical collection systems, there is concern that the DCI as community leader is in "a conflict of interest" situation when ruling on the activities of the overall intelligence community.

The Committee is also concerned that the DCI's new span of control—both the entire intelligence community and the entire CIA—may be too great for him to exercise effective detailed supervision of clandestine activities.

Recommendations

16. By statute, the DCI should be established as the President's principal foreign intelligence advisor, with exclusive responsibility for producing national intelligence for the President and the Congress. For this purpose, the DCI should be empowered to establish a staff directly responsible to him to help prepare his national intelligence judgments and to coordinate the views of the other members of the intelligence community. The Committee recommends that the Director establish a board to include senior outside advisers to review intelligence products as necessary, thus helping to insulate the DCI from pressures to alter or modify his national intelligence judgments. To advise and assist the DCI in producing national intelligence, the DCI would also be empowered to draw on other elements of the intelligence community.

17. By statute, the DCI should be given responsibility and authority for establishing national intelligence requirements, preparing the national intelligence budget, and providing guidance for United States national intelligence program operations. In this capacity he should be designated as chairman of the appropriate NSC committee, such as the CFI, and should have the following powers and responsibilities:

a. The DCI should establish national intelligence requirements for the entire intelligence community. He should be empowered to draw on intelligence community representatives and others whom he may designate to assist him in establishing national intelligence requirements and determining the success of the various agencies in fulfilling them. The DCI should provide general guidance to the various intelligence agency directors for the management of intelligence operations.

b. The DCI should have responsibility for preparing the national intelligence program budget for presentation to the President and the Congress.¹⁰ The definition of what is to be included within that national intelligence program should be established by Congress in consultation with the Executive. In this capacity, the Director of Central Intelligence should be involved early in the budget cycle in preparing the budgets of the respective intelligence community agencies. The Director should have specific responsibility for choosing among the programs of the different collection and production agencies and departments and to insure against waste and unnecessary duplication. The DCI should also have responsibility for issuing fiscal guidance for the allocation of all national intelligence resources. The authority of the

¹⁰ [The DCI] shall: Ensure the development and submission of a budget for the National Foreign Intelligence Program to the CFI. (Executive Order 11905, Sec. 3(d)(iii).)

DCI to reprogram funds within the intelligence budget should be defined by statute.¹⁰

c. In order to carry out his national intelligence responsibilities the DCI should have the authority to review all foreign and military intelligence activities and intelligence resource allocations, including tactical military intelligence which is the responsibility of the armed forces.¹¹

d. The DCI should be authorized to establish an intelligence community staff to support him in carrying out his managerial responsibilities. This staff should be drawn from the best available talent within and outside the intelligence community.

e. In addition to these provisions concerning DCI control over national intelligence operations in peacetime, the statute should require establishment of a procedure to insure that in time of war the relevant national intelligence operations come under the control of the Secretary of Defense.

18. By statute, the position of Deputy Director of Central Intelligence for the intelligence community should be established as recommended in Executive Order 11905. This Deputy Director should be subject to Senate confirmation and would assume the DCI's intelligence community functions in the DCI's absence. Current provisions regarding the status of the DCI and his single deputy should be extended to cover the DCI and both deputies. Civilian control of the nation's intelligence is important; only one of the three could be a career military officer, active or retired.

19. The Committee recommends that the intelligence oversight committee(s) of Congress consider whether the Congress should appropriate the funds for the national intelligence budget to the DCI, rather than to the directors of the various intelligence agencies and departments.

20. By statute, the Director of Central Intelligence should serve at the pleasure of the President but for no more than ten years.

21. The Committee also recommends consideration of separating the DCI from direct responsibility over the CIA.¹²

F. THE CENTRAL INTELLIGENCE AGENCY

1. The Charter for Intelligence Activities: Espionage, Counterintelligence and Covert Action

The Committee finds that the CIA's present charter, embodied in the National Security Act of 1947, the CIA Act of 1949, and the 1974 Hughes-Ryan amendments to the Foreign Assistance Act, is inadequate in a number of respects.

¹⁰ "Reprogramming" means shifting money previously approved for one purpose to another use; for instance, from clandestine human collection to technical collection or covert action.

¹¹ In contrast to President Nixon's 1971 letter to Director Helms which asked the DCI to plan and review "... all intelligence activities including tactical intelligence and the allocation of all intelligence resources," President Ford's Executive Order 11905 states that "... neither the DCI nor the CFI shall have responsibility for tactical intelligence."

¹² See discussion on pp. 449-450.

executive should continue to have the initiative in formulating covert action, it also strongly believes that the appropriate oversight bodies of Congress should be fully informed prior to the initiation of such actions.

Congressional power over the purse can serve as the most effective congressional oversight tool if there is the courage and the will to exercise it. In addition to the regular budget for covert action, the Agency draws on a Contingency Reserve Fund for unanticipated projects. Any withdrawals from this fund require approval from the Office of Management and Budget and notification, within 48 hours, to the appropriate congressional committees. The Committee believes that the Contingency Fund can also provide one of the mechanisms by which Congress can effectively control covert action.

Recommendations

35. The legislation establishing the charter for the Central Intelligence Agency should specify that the CIA is the only U.S. Government agency authorized to conduct covert actions. The purpose of covert actions should be to deal with grave threats to American security. Covert actions should be consistent with publicly-defined United States foreign policy goals, and should be reserved for extraordinary circumstances when no other means will suffice. The legislation governing covert action should require executive branch procedures which will ensure careful and thorough consideration of both the general policies governing covert action and particular covert action projects; such procedures should require the participation and accountability of highest level policymakers.

36. The Committee has already recommended, following its investigation of alleged assassination attempts directed at foreign leaders, a statute to forbid such activities. The Committee reaffirms its support for such a statute and further recommends prohibiting the following covert activities by statute:

- All political assassinations.²⁰
- Efforts to subvert democratic governments.
- Support for police or other internal security forces which engage in the systematic violation of human rights.

37. By statute, the appropriate NSC committee (e.g., the Operations Advisory Group) should review every covert action proposal.²⁰

The Committee recommends that the Operations Advisory Group review include:

- A careful and systematic analysis of the political premises underlying the recommended actions, as well as the nature, extent, purpose, risks, likelihood of success, and costs of the operation. Reasons explaining why the objective can-

²⁰ The Committee endorses Executive Order 11905, of February 18, 1976, which states: "No employee of the United States Government shall engage in, or conspire to engage in, political assassination."

²¹ Executive Order 11905, 2/18/76, established the Operations Advisory Group and directed it to "consider and develop a policy recommendation, including any dissents, for the President prior to his decision on each special activity [e.g., covert operations] in support of national defense."

not be achieved by overt means should also be considered. Each covert action project should be formally considered at a meeting of the OAG, and if approved, forwarded to the President for final decision. The views and positions of the participants would be fully recorded. For the purpose of OAG, presidential, and congressional considerations, all so-called non-sensitive projects should be aggregated according to the extraordinary circumstances or contingency against which the project is directed.

38. By statute, the intelligence oversight committee(s) of Congress should require that the annual budget submission for covert action programs be specified and detailed as to the activity recommended. Unforeseen covert action projects should be funded from the Contingency Reserve Fund which could be replenished only after the concurrence of the oversight and any other appropriate congressional committees. The congressional intelligence oversight committees should be notified prior to any withdrawal from the Contingency Reserve Fund.

39. By statute, any covert use by the U.S. Government of American citizens as combatants should be preceded by the notification required for all covert actions. The statute should provide that within 60 days of such notification such use shall be terminated unless the Congress has specifically authorized such use. The Congress should be empowered to terminate such use at any time.²¹

40. By statute, the executive branch should be prevented from conducting any covert military assistance program (including the indirect or direct provision of military material, military or logistics advice and training, and funds for mercenaries) without the explicit prior consent of the intelligence oversight committee(s) of Congress.

G. REORGANIZATION OF THE INTELLIGENCE COMMUNITY

1. The Position of the DCI

The Committee recommendations regarding the Director of Central Intelligence (pages 43-45) would, if implemented, increase his authority over the entire intelligence community. Given such increased authority, the Committee believes that both the executive branch and the intelligence oversight committee(s) of Congress should give careful consideration to removing the DCI from direct management responsibility for the Central Intelligence Agency. This would free the DCI to concentrate on his responsibilities with regard to the entire intelligence community and would remove him from any conflict of interest in performing that task. It might also increase the accountability of the Central Intelligence Agency by establishing a new and separate senior position—a Director of the Central Intelligence Agency—responsible for only the CIA.

2. The Structures of the CIA

The Committee believes that several important problems uncovered in the course of this inquiry suggest that serious consideration also be given to major structural change in the CIA—in particular, sepa-

²² The Committee also believes that the current provisions of the War Powers Resolution, which require the President to report to Congress within 48 hours of the commencement of hostilities, should be strengthened. (Appendix C, Hearings, Vol. 7, p. 226.)

rating national intelligence production and clandestine service and other collection functions. Intelligence production could be placed directly under the DCI, while clandestine collection of foreign intelligence from human and technical sources and covert operations would remain in the CIA.

The advantages of such a step are several:

- The DCI would be removed from the conflict of interest situation of managing the intelligence community as a whole while also directing a collection agency.
- The concern that the DCI's national intelligence judgments are compromised by the impulse to justify certain covert action operations or by the close association of the analysts with the clandestine service would be remedied.
- The problem, seen by some in the intelligence community, of bias on the part of CIA analysts toward the collection resources of the CIA would be lessened.
- It would facilitate providing the intelligence production unit with greater priority and increased resources necessary for improving the quality of its finished intelligence.
- Tighter policy control of the Clandestine Service by the National Security Council and the Department of State would be possible.
- The Director would be able to focus increased attention on monitoring Clandestine Services.
- Internal reorganization of the Directorate for Intelligence and the remainder of the CIA could be facilitated.

There are potential drawbacks as well:

- The Director of Central Intelligence might lose the influence that is part of having command responsibility for the clandestine services.
- The increasing, though still not extensive, contact between national intelligence analysts and the Clandestine Service for the purpose of improving the espionage effort might be inhibited.
- The DCI would have managerial responsibility over the former CIA analysts which might place him in a conflict-of-interest situation in regard to the production of intelligence.
- The increased number of independent agencies would increase the DCI's coordination problems.
- If the clandestine services did not report to the DCI, there would be the problem of establishing an alternative chain of command to the President.
- The Clandestine Service might be downgraded and fail to secure adequate support.

Nonetheless, on balance, the Committee believes such a separation of functions and consequent possible realignments in authority within the intelligence community merit serious consideration.

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41. The intelligence oversight committee(s) of Congress in the course of developing a new charter for the intelligence community should give consideration to separating the functions of the DCI and the Director of the CIA and to dividing the intelligence analysis and production functions from the clandestine collection and covert action functions of the present CIA.

H. RELATIONS WITH UNITED STATES INSTITUTIONS AND PRIVATE CITIZENS

In the immediate postwar period, as the communists pressed to influence and to control international organizations and movements, mass communications, and cultural institutions, the United States responded by involving American private institutions and individuals in the secret struggle over minds, institutions, and ideals. In the process, the CIA subsidized, and even helped develop "private" or non-government organizations that were designed to compete with communists around the world. The CIA supported not only foreign organizations, but also the international activities of United States student, labor, cultural, and philanthropic organizations.

These covert relationships have attracted public concern and this Committee's attention because of the importance that Americans attach to the independence of these institutions.

The Committee found that in the past the scale and diversity of these covert actions has been extensive. For operational purposes, the CIA has:

- Funded a special program of a major American business association;
- Collaborated with an American trade union federation;
- Helped to establish a research center at a major United States university;
- Supported an international exchange program sponsored by a group of United States universities;
- Made widespread use of philanthropic organizations to fund such covert action programs.

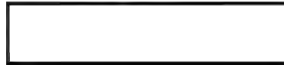
The Committee's concern about these relationships is heightened by the Agency's tendency to move from support to use of both institutions and individuals. For example, the initial purpose of the Agency's funding of the National Student Association was to permit United States students to represent their own ideas, in their own way, in the international forums of the day. Nevertheless, the Committee has found instances in which the CIA moved from general support to the "operational use" of individual students.³² Contrary to the public's understanding, over 250 United States students were sponsored by the CIA to attend youth festivals in Moscow, Vienna and Helsinki and

³² Operational use, according to CIA directives, means performing services in support of the CIA Operations Directorate, and may include the recruitment, utilization, or training of any individual for such purposes as providing cover and collecting intelligence.

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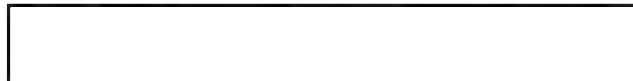
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MEMORANDUM FOR: Special Assistant to the DDCI
VIA : Deputy Director for Administration
-Deputy Director for Operations
FROM : Director of Security
Chief, Counterintelligence Staff
SUBJECT : Information for Admiral Turner

Forwarded herewith is a joint response to your request incorporated in the morning meeting notes of 15 February 1977, paragraph 3.c.



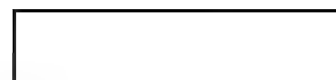
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Robert W. Gambino



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Attachment: a/s



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What May or May Not be Done Against U.S. Citizens
(U.S. Persons) Abroad Under Present Guidelines,
Including Electronic Surveillance and Physical
Surveillance of U.S. Citizens?

The Central Intelligence Agency as a foreign intelligence agency is authorized to collect certain information concerning the foreign activities of U.S. persons. This authority to collect information is found in Executive Order 11905, Section 4(b). Under this authority, this Agency collects information concerning U.S. persons provided: (a) it is foreign intelligence information; (b) it is counterintelligence information or information about a U.S. person who is reasonably believed to be acting on behalf of a foreign power; (c) it is information that the U.S. person is engaging in international terrorist activities or is engaging in international narcotics activities.

Restrictions on Collection of Information
Concerning U.S. Persons

Narcotics: With regard to narcotics intelligence, regulations stipulate that no CIA narcotics collection operations shall be specifically directed at individual U.S. persons abroad, except where specifically authorized by regulations dealing with physical surveillance activity directed against a U.S. person outside the U.S. who is reasonably believed to be acting on behalf of a foreign power or engaging in international terrorist or narcotics activities or activities threatening the national security. In other words, the only direct action that the Agency is authorized to take against a U.S. person concerning narcotics intelligence activities is authority to conduct a physical surveillance against such a U.S. person.

Physical Surveillance Directed Against a U.S. Person Abroad: CIA is authorized to conduct a physical surveillance of a U.S. person outside the United States. Any request by an Agency component abroad for authority to conduct a

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physical surveillance of a U.S. person must include a statement for the reason(s) that the surveillance is believed justified under E.O. 11905. This specifies that such activity may be undertaken if the U.S. person is reasonably believed to be acting on behalf of a foreign power or engaging in international terrorist or narcotics activities threatening the national security. This authority in the Executive Order is found in Section 5(b)(1)(iii). Normally, authority to conduct a physical surveillance against a U.S. person abroad requires the prior approval of the DDO. Chiefs of Station, however, may authorize initiation of such surveillance where time does not permit prior DDO approval. In each instance, however, the COS must notify Headquarters immediately by cable.

Unconsented Physical Search: The CIA is prohibited from conducting any unconsented physical search of persons, homes or offices in the United States. Unconsented physical searches abroad, directed against U.S. persons, are authorized by the Executive Order only under the procedures approved by the Attorney General. The important element is that prior approval by the Attorney General must be obtained for the conduct either unilaterally or by a request to a liaison service for an unconsented physical search directed against a U.S. person abroad. The phrase "unconsented physical search" means that physical intrusion upon or search of a person or the person's property or possessions for purposes other than placing an electronic surveillance device, without the knowledge or consent of the person or, in the case of property or possessions, of another individual who has the authority to consent to such a search. In addition, no force or violence against any U.S. person or threat thereof shall be used to effect any unconsented physical search. The Attorney General's procedures relating to unconsented physical searches require that the Agency must provide him facts and circumstances relating to the proposed unconsented physical search. These shall include the facts and circumstances supporting a reasonable cause to believe that the U.S. person at whom or at whose property or possessions the search is directed, is an agent of a foreign power or foreign terrorist group; the facts and circumstances relating to any intrusion which might occur upon the property or possessions of any other person; and the facts and circumstances supporting a reasonable cause to believe that the information sought is foreign intelligence or counterintelligence which cannot

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reasonably be obtained in a less intrusive manner. The only information from unconsented physical searches directed against U.S. persons abroad, retained or disclosed by CIA, shall be foreign intelligence or counterintelligence, except that other information incidentally gathered indicating involvement in activities which may be in violation of law, may be disclosed to appropriate law enforcement agencies.

Electronic Surveillance (Audio): The CIA is prohibited by Executive Order 11905, Section 5(b), from conducting any electronic surveillance activities within the U.S., except for the purpose of testing equipment under procedures approved by the Attorney General consistent with law.

The CIA is prohibited by the Attorney General's procedures from itself, or by request to foreign officials, to intentionally direct or have directed electronic surveillance (audio) against U.S. persons abroad except pursuant to prior expressed approval of the Attorney General. Any request to the Attorney General for approval of electronic surveillance (audio) directed against U.S. persons abroad shall be made by the DCI or the DDCI if the DCI delegates this authority to him, and shall provide facts and circumstances relating to the proposed electronic surveillance (audio). These shall include the facts and circumstances supporting a reasonable cause to believe that the person against whom the surveillance is directed is an agent of a foreign power or foreign terrorist group; that the facilities or premises at which the surveillance is directed or used or about to be used by such person; and that the information sought is foreign intelligence or counterintelligence which cannot reasonably be obtained in a less intrusive manner. Attorney General approval may be for a period not to exceed 90 days but extensions may be granted upon proper showing.

Electronic Surveillance - Teltaps and COMINT: The CIA is authorized to intercept only foreign communications and shall not use any selection term likely to result in the interception of protected communications except for the purpose of obtaining foreign intelligence information or where a person has consented to a selection term designed to intercept his communication. The CIA cannot use any selection term intended to intercept the communications of a particular U.S. person or otherwise target the communications of a particular U.S. person unless the President has authorized CIA to select or target such a category and the Attorney General has authorized

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CIA to select or target the communications of the particular U.S. person involved or unless the U.S. person involved has consented to such a selection term or targeting. The Attorney General may authorize the use of such a selection term or such targeting only if he finds that there is reasonable cause to believe that the U.S. person is an agent of a foreign power. In addition, the CIA cannot use any selection term intended to intercept communications that mentions a particular U.S. person or otherwise target communications of other persons for the purpose of gathering information about a particular U.S. person unless the Attorney General has authorized the use of such a selection term or such targeting. The Attorney General may authorize the use of such a selection term or such targeting if he finds (a) that there is reasonable cause to believe that significant foreign intelligence will be obtained by a foreign power or its agents and that such intelligence cannot be obtained by a less intrusive manner; or (b) that the U.S. person has consented to such a selection term. Attorney General approval may be for a period not to exceed 90 days but extensions may be granted upon a proper showing.

Any intercepted foreign communication in which is revealed identity of a U.S. person as a communicant or which refers to a U.S. person, may be used and/or retained within CIA in its original form or as transcribed only in the following limited circumstances:

- (a) the identity of the United States person is deleted;
- (b) the communication is enciphered or reasonably believed to contain secret meaning;
- (c) the retention of the communication is necessary for the maintenance of technical data bases, so long as only collection personnel have access to such data bases;
- (d) the communication evidences or concerns a possible threat to the physical safety of any person;
- (e) the communication is evidence that the United States person may be an agent of a foreign power;
- (f) the communication is evidence that the United States person may be a target of intelligence activities of a foreign power;

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(g) the communication is evidence that the United States person is engaged in the unauthorized disclosure of properly classified national security information;

(h) the United States person has consented to the retention or use of communications in which he is a communicant or which refer to him;

(i) the selection of communications involving the United States person is authorized;

(j) the communication contains information relating to the physical safety of any Secret Service protectee if the dissemination of such information would not be prohibited by the restriction of Sec. 5 of E.O. 11905; or

(k) the identity of the United States person in the context of the message is significant foreign intelligence, e.g., the identity of government officials in communications between foreign powers or their agents where their identity is important to assessing the knowledge of those foreign powers. Where this exception is applied, special care must be taken by the Deputy Director for Operations to ensure that domestic political or personal information is not retained or disseminated under the mistaken belief that it is significant foreign intelligence.

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